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Department of the Treasury
Internal Revenue Service
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Disaster and Casualty Loss Workbook

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This workbook is designed to help you figure your loss in the event of a disaster or casualty. It has schedules to help you figure the loss on your home (nonbusiness real property) and its contents. In addition, there is a schedule to help you figure the loss on your car, van, truck, or motorcycle.

Losses to your home, household goods, and personal property generally are deductible on your federal income tax return. However, you may not deduct any part of a loss that you will be reimbursed for. Insurance is the most common form of reimbursement. The first $100 of a nonbusiness loss also is not deductible. A separate $100 rule applies to each individual casualty. A disaster is usually treated as a single casualty and the $100 rule applies only once.

Your losses during the year may be deducted on your income tax return for that year. However, you may choose to deduct disaster losses on your return for the year immediately before the year of the disaster if the President has declared your area a disaster area. To make this choice, you ordinarily will have to file an amended tax return for the previous year on Form 1040X, *Amended U.S. Individual Income Tax Return.*

Note: For tax years beginning after 1982, your casualty losses will be deductible only to the extent that your total losses during the year exceed 10 percent of your adjusted gross income. You still must reduce each separate casualty or theft loss by $100. In addition, if you experience a *disaster loss* in 1983 and elect to claim the loss on your 1982 return, the loss will be deductible only to the extent it exceeds $100 and 10 percent of your 1982 adjusted gross income.

Form 4684, *Casualties and Thefts,* must be used to report your casualty or theft loss, and it must be attached to your return when you claim the loss. For a disaster or casualty where many different items are damaged or destroyed, you may use copies of the worksheets in this publication in place of Part I of Form 4684.

You should make a list of all lost, damaged, or destroyed items as soon after the disaster or casualty as possible.

Establishing the amount of your loss may be difficult, but the time you spend documenting your loss may mean a great deal to you in reducing your tax.

Personal property. For personal property, such as furniture or clothing, the loss must be established item by item.

To determine the amount of loss for each item of personal property, you must know your basis in the item and its fair market value (FMV) just before the disaster or casualty. If you bought the item, your basis is usually its cost. If you acquired it in any other way, your basis is determined as discussed in Publication 551, *Basis of Assets.*

Lost or destroyed property. If the item is lost or completely destroyed, your loss is usually its basis or its fair market value just before the loss, whichever is less.

Damaged property. If the item is damaged, the loss is either the difference between the fair market value of the item just before the disaster or casualty and the fair market value just after it, or the basis of the item, whichever is less. Often, the decrease in fair market value may be measured by the cost of repairing the item.

Fair market value (FMV) can be determined by a professional appraisal. The appraisal must recognize any general market decline affecting undamaged as well as damaged property that may occur at the same time as the casualty, so that any deduction will be limited to the actual loss from damage to the property.

Photographs may be helpful in determining fair market value. The books issued by various automobile organizations may be useful in determining the fair market value of cars, vans, trucks, and motorcycles.

Real property. For nonbusiness real property, a single loss is established for the entire property, including buildings, land, and trees.

For losses to your home, mobile home, or garage, you should obtain the following information:

1) Cost (or other basis) including land if you own the land;
2) Fair market value immediately before the disaster or casualty;
3) Fair market value immediately after the disaster or casualty; and
4) Amount of loss covered by insurance.

Real and personal property. When a loss involves both real and personal property, you must determine the amount of your casualty loss on each type of property and subtract the first $100 from the total amount of the loss.

This publication will answer some of your questions on personal losses from casualties or disasters. However, there are many situations that are not covered, such as a disaster or casualty loss to business property. For more information, get Publication 547, *Tax Information on Disasters, Casualties, and Thefts,* from the Internal Revenue Service.

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Entrance Hall

Item	No. of items	Date acquired	FMV before casualty	FMV after casualty	Decrease in FMV	Cost or Other Basis	Lesser of cost or decrease in FMV
Chairs							
Clock							
Curtains							
Draperies							
Lamps							
Mirrors							
Pictures							
Rugs							
Tables							
Umbrella stands							
Wall fixtures							
Total, enter on Schedule 1, page 20							$

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Living Room

Item	No. of Items	Date acquired	FMV before casualty	FMV after casualty	Decrease in FMV	Cost or Other Basis	Lesser of cost or decrease in FMV
Accessories							
Blinds							
Bookcases							
Books							
Chairs							
Chests							
Clocks							
Coffee table							
Curtains							
Desk							
Draperies							
Fireplace hardware							
Lamps							
Magazine rack							
Mirrors							
Piano							
Pictures							
Pillows							
Radio							
Rugs & pads							
Shades							
Shutters							
Sofa							
Stereo							
Television							
Wall fixtures							
Total, enter on Schedule 1, page 20							$

Dining Room

Item	No. of items	Date acquired	FMV before casualty	FMV after casualty	Decrease in FMV	Cost or Other Basis	Lesser of cost or decrease in FMV
Buffet							
Chairs							
China cabinet							
Chinaware							
Crystal							
Curtains							
Glassware							
Mirrors							
Pictures							
Rugs & pads							
Silver flatware							
Silver tea set							
Silver items							
Table							
Tea cart							
Wall fixtures							
Total, enter on Schedule 1, page 20							$

Kitchen

Item	No. of items	Date acquired	FMV before casualty	FMV after casualty	Decrease in FMV	Cost or Other Basis	Lesser of cost or decrease in FMV
Blender							
Broiler							
Canned goods							
Can opener							
Clock							
Coffee maker							
Curtains							
Cutlery							
Dishes							
Dishwasher							
Food processor							
Freezer							
Frozen food							
Glassware							
Ice crusher							
Microwave oven							
Mixer							
Pots and pans							
Radio							
Refrigerator							
Stove							
Table and chairs							
Toaster							
Trash compactor							
Utensils							
Wall accessories							
Total, enter on Schedule 1, page 20							$

Den

Item	No. of Items	Date acquired	FMV before casualty	FMV after casualty	Decrease in FMV	Cost or Other Basis	Lesser of cost or decrease in FMV
Bookcase							
Books							
Chairs							
Clock							
Curtains							
Desk							
Draperies							
Lamps							
Mirrors							
Pictures							
Pillows							
Radio							
Records							
Rugs & pads							
Sofa							
Stereo							
Tables							
Tape recorder							
Television							
Total, enter on Schedule 1, page 20							$

Bedrooms

Item	No. of Items	Date acquired	FMV before casualty	FMV after casualty	Decrease in FMV	Cost or Other Basis	Lesser of cost or decrease in FMV
Bed covers							
Beds							
Bedside tables							
Bureaus							
Chairs							
Chests							
Clocks							
Clothes hamper							
Desks							
Dresser							
Jewelry box							
Lamps							
Linens							
Mirrors							
Pictures							
Radio							
Rugs & pads							
Television							
Total, enter on Schedule 1, page 20							$

Bathrooms

Item	No. of Items	Date acquired	FMV before casualty	FMV after casualty	Decrease in FMV	Cost or Other Basis	Lesser of cost or decrease in FMV
Bath mats							
Clothes hamper							
Curtains							
Hair dryers							
Linens							
Pictures							
Razor							
Scales							
Towel rack							
Wall fixtures							
Total, enter on Schedule 1, page 20							$

Recreation Room

Item	No. of Items	Date acquired	FMV before casualty	FMV after casualty	Decrease in FMV	Cost or Other Basis	Lesser of cost or decrease in FMV
Billiard table							
Books							
Card table							
Chairs							
Clocks							
Curtains							
Games							
Lamps							
Pictures							
Ping Pong table							
Pool table							
Radio							
Records							
Rugs							
Sofa							
Stereo							
Tables							
Television							
Video recorder							
Total, enter on Schedule 1, page 20							$

Laundry and Basement

Item	No. of items	Date acquired	FMV before casualty	FMV after casualty	Decrease in FMV	Cost or Other Basis	Lesser of cost or decrease in FMV
Chairs							
Dryer							
Electric iron							
Food freezer							
Ironing board							
Ladder							
Luggage							
Tables							
Tools							
Tubs							
Washing machine							
Work bench							
Total, enter on Schedule 1, page 20							$

Garage

Item	No. of Items	Date acquired	FMV before casualty	FMV after casualty	Decrease in FMV	Cost or Other Basis	Lesser of cost or decrease in FMV
Bicycles							
Garden hose							
Garden tools							
Hedger							
Ladder							
Lawn mower							
Snow plow							
Sprayer							
Spreader							
Tiller							
Tools							
Wheelbarrow							
Total, enter on Schedule 1, page 20							$

Sporting Equipment

Item	No. of Items	Date acquired	FMV before casualty	FMV after casualty	Decrease in FMV	Cost or Other Basis	Lesse cos decr in F
Boat & motor							
Cameras							
Camping equipment							
Field glasses							
Fishing tackle							
Golf clubs							
Guns							
Lawn games							
Projectors							
Tennis rackets							
Total, enter on Schedule 1, page 20							$

Men's Clothing

Item	No. of Items	Date acquired	FMV before casualty	FMV after casualty	Decrease in FMV	Cost or Other Basis	Lesser of cost or decrease in FMV
Belts							
Boots							
Gloves							
Handkerchiefs							
Hats							
Neckwear							
Overcoats							
Raincoats							
Shirts							
Shoes							
Shorts							
Slacks							
Socks							
Sport jackets							
Suits							
Sweaters							
Ties							
Underwear							
Total, enter on Schedule 1, page 20							$

Women's Clothing

Item	No. of Items	Date acquired	FMV before casualty	FMV after casualty	Decrease in FMV	Cost or Other Basis	Lesser of cost or decrease in FMV
Belts							
Blouses							
Boots							
Coats							
Dresses							
Fur							
Gloves							
Hats							
Hosiery							
Jackets							
Lingerie							
Scarves							
Shirts							
Shoes							
Skirts							
Slacks							
Suits							
Sweaters							
Total, enter on Schedule 1, page 20							$

Children's Clothing

Item	No. of Items	Date acquired	FMV before casualty	FMV after casualty	Decrease in FMV	Cost or Other Basis	Lesser of cost or decrease in FMV
Blouses							
Boots							
Coats							
Dresses							
Gloves							
Hats							
Shirts							
Shoes							
Skirts							
Slacks							
Socks							
Sport jackets							
Stockings							
Suits							
Sweaters							
Underwear							
Total, enter on Schedule 1, page 20							$

Jewelry

Item	No. of items	Date acquired	FMV before casualty	FMV after casualty	Decrease in FMV	Cost or Other Basis	Lesser of cost or decrease in FMV
Bracelets							
Brooches							
Earrings							
Engagement ring							
Necklaces							
Pins							
Rings							
Studs							
Watches							
Wedding rings							
Total, enter on Schedule 1, page 20							$

Electrical Appliances

Item	No. of Items	Date acquired	FMV before casualty	FMV after casualty	Decrease in FMV	Cost or Other Basis	Lesser of cost or decrease in FMV
Air conditioner							
Blankets							
Dehumidifier							
Fans							
Floor polisher							
Grill							
Heating pad							
Humidifier							
Sewing machine							
Sun lamp							
Vacuum cleaner							
Total, enter on Schedule 1, page 20							$

Linens

Item	No. of Items	Date acquired	FMV before casualty	FMV after casualty	Decrease in FMV	Cost or Other Basis	Lesser of cost or decrease in FMV
Bath mats							
Bedspreads							
Blankets							
Comforters							
Mattress pads							
Napkins							
Pillows							
Pillowcases							
Placemats							
Quilts							
Sheets							
Tablecloths							
Towels							
Washcloths							
Total, enter on Schedule 1, page 20							$

Miscellaneous

Item	No. of Items	Date acquired	FMV before casualty	FMV after casualty	Decrease in FMV	Cost or Other Basis	Lesser of cost or decrease in FMV
Barbecue							
Lawn furniture							
Musical instruments							
Outdoor shed							
Picnic set							
Porch furniture							
Swing set							
Toys							
Total, enter on Schedule 1, page 20							$

Schedule 1

Summary of Contents of Residence

	Amounts from pages 2 to 19
Entrance hall	$_____
Living room	_____
Dining room	_____
Kitchen	_____
Den	_____
Bedrooms	_____
Bathrooms	_____
Recreation room	_____
Laundry and basement	_____
Garage	_____
Sporting equipment	_____
Men's clothing	_____
Women's clothing	_____
Children's clothing	_____
Jewelry	_____
Electrical appliances	_____
Linens	_____
Miscellaneous	_____
Total loss on contents (Enter on Summary, page 23)	$_____

Schedule 2

Loss on Nonbusiness Real Property

1) ***Basis of property damaged or destroyed*** $_____

2) Minus:

Deferred gain on sale of previous residence	$_____		
Prior casualty losses	_____		
Any other reduction to basis	_____	_____	$_____

3) Plus:

Permanent improvements made		
Aluminum siding	$_____	
Central air conditioning	_____	
Fence	_____	
Heating system	_____	
Landscaping	_____	
Remodeling	_____	
Roof	_____	
Wall to wall carpeting	_____	
_____	_____	
_____	_____	
_____	_____	
_____	_____	_____

4) **Adjusted basis** $_____

5) Fair market value of property before casualty or disaster $_____

6) Minus:

Fair market value of property after casualty or disaster _____

7) **Decrease in fair market value** $_____

8) **Loss on nonbusiness real property**—Lesser of 4 or 7 (Enter on Summary, page 23) $_____

Schedule 3

Loss on cars, vans, trucks, and motorcycles

Vehicle #1

1) Basis	$_____	
2) Fair market value before casualty or disaster	$_____	
3) Minus fair market value after casualty or disaster	_____	
4) Decrease in fair market value	$_____	
5) Loss on vehicle—Lesser of 1 or 4		$_____

Vehicle #2

1) Basis	$_____	
2) Fair market value before casualty or disaster	$_____	
3) Minus fair market value after casualty or disaster	_____	
4) Decrease in fair market value	$_____	
5) Loss on vehicle—Lesser of 1 or 4		_____
6) **Total loss on cars, vans, trucks, and motorcycles** (Enter on Summary, page 23)		$_____

Summary

) Loss on contents of residence (Schedule 1 on page 20) $_____

) Loss on nonbusiness real property (Schedule 2 on page 21) _____

) Loss on cars, vans, trucks, and motorcycles (Schedule 3 on page 22) _____

) ***Total*** $_____

) Minus actual or expected reimbursement, including insurance:

Residence	$_____	
Contents of residence	_____	
Cars, vans, trucks, and motorcycles	_____	
Other	_____	_____

) Loss not reimbursed $_____

) Minus $100* $_____

) **Tax deductible loss** (Use Part I of Form 4684 to report your loss. This amount should match the amount on line 14 of the form.) $_____

*Losses on property used in business or for investment are figured differently and are not reduced by $100. For information on business or investment losses, see Publication 547.

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